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| BILL ANALYSIS |

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| C.S.H.B. 11 |
| By: Phelan |
| Licensing & Administrative Procedures |
| Committee Report (Substituted) |

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| **BACKGROUND AND PURPOSE** The United States Census Bureau reported that over 600,000 people arrived in Texas in 2023, making Texas the top state for domestic migration. The bill author has informed the committee that, due to this large net migration, Texas has one of the highest occupational licensing burdens of any state in the nation, requiring those who already hold licenses from other states with substantially similar licensing standards to navigate additional training, education, and fees before legally practicing their professions in Texas. C.S.H.B. 11 aims to provide clarity in the occupational licensing process by specifically tasking the Texas Department of Licensing and Regulation to maximize licensing reciprocity agreements with other states, thus ensuring streamlined integration of professionals into the state's workforce. |
| **CRIMINAL JUSTICE IMPACT**It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision. |
| **RULEMAKING AUTHORITY** It is the committee's opinion that rulemaking authority is expressly granted to the Texas Commission of Licensing and Regulation in SECTION 1 of this bill. |
| **ANALYSIS** C.S.H.B. 11 amends the Occupations Code to require the Texas Department of Licensing and Regulation (TDLR) to maximize licensing reciprocity agreements, with respect to licenses issued by TDLR, to the extent allowed by law and to identify state laws that prevent TDLR from entering into a reciprocity agreement with a licensing authority in another state. C.S.H.B. 11 requires the Texas Commission of Licensing and Regulation (TCLR), not later than January 1, 2026, to adopt rules necessary to implement the bill's provisions and requires the rules to establish procedures for TDLR to take the following actions:* determine whether the licensing requirements of another state are substantially equivalent to Texas' requirements, taking into consideration the following:
	+ the level of required training and testing to obtain a license, including methods used to evaluate work experience to fulfill training or testing requirements;
	+ the scope of practice for which the license is issued; and
	+ the procedures used in the other state to resolve complaints and to determine whether a license holder is in good standing; and
* enter into and implement reciprocity agreements with licensing authorities in other states that have licensing requirements substantially equivalent to Texas' requirements.

C.S.H.B. 11 requires TDLR, not later than December 1 of each odd-numbered year, to submit to the governor and the Legislative Budget Board a written report that does the following:* summarizes TDLR's efforts in maximizing reciprocity agreements and identifying state laws that prevent TDLR from entering into such an agreement, including a description of the extent to which the state's licensing requirements exceed the requirements of other states;
* describes TDLR's efforts to enter into reciprocity agreements with licensing authorities in other states, including a list of each reciprocity agreement entered into and any unsuccessful effort to enter into a reciprocity agreement with a licensing authority of another state; and
* recommends any legislative action that is necessary or appropriate to increase the number of license reciprocity agreements as directed by the bill, including any reduction of the state's licensing requirements that would make more reciprocity agreements possible.

The bill requires TDLR to submit the initial report not later than December 1, 2027. |
| **EFFECTIVE DATE** On passage, or, if the bill does not receive the necessary vote, September 1, 2025. |
| **COMPARISON OF INTRODUCED AND SUBSTITUTE**While C.S.H.B. 11 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.Whereas the introduced required any department, commission, board, office, or other agency of the state that issues or renews an occupational license to perform the actions required by the bill, adopt rules as required by the bill, and submit the report required by the bill, the substitute requires TDLR to take those actions and submit the report and requires TCLR to adopt those rules. With respect to the bill's requirement that licensing reciprocity agreements be maximized to the extent allowed by law, the introduced specified that those are occupational licensing reciprocity agreements, but the substitute specifies that the requirement is applicable to licensing reciprocity agreements with respect to licenses issued by TDLR. |